MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

June 2004

DATA SYSTEMS & ANALYSIS

Maryland Trauma Physician Services Fund

Seven trauma centers and eighteen physician groups submitted applications to the Fund for on-call and uncompensated care losses during the period from October 1, 2003 through March 31, 2004. Applications were uploaded electronically, or manually entered into MHCC's Trauma Fund Payment Calculator. Applicants were mailed a detailed payment report for tracking in their accounting systems. Applications approved for payment were forwarded to the Office of the Comptroller. Staff anticipates that applicants will receive funds in approximately four weeks.

During the first application period, MHCC distributed approximately $2,093,356. This figure represents about 25.0 percent of the available monies from the Fund. Uncompensated care applications accounted for roughly $471,830, about twenty-three percent of the total distribution. On-call applications accounted for approximately $1,621,527 or about seventy-seven percent of the total distribution.

Staff met with the selected MHCC trauma fund auditor, Clifton-Gunderson, LLP, to review their draft work plan for auditing trauma center on-call applications. MHCC notified trauma centers that its auditor would be contacting them in June to complete a review of on-call costs submitted to the Fund. Staff anticipates meeting with Clifton-Gunderson, LLP to review their work plan for auditing uncompensated care applicants around the end of June.

Staff intends to provide interested trauma physicians with additional training on preparing an electronic application in an effort to increase the quality of electronic applications submitted to the Fund. A number of educational opportunities were identified by staff from the first application cycle. Training sessions are tentatively planned in July at Prince George's Hospital Center, Hagerstown Robinwood Center, and Peninsula Regional Medical Center.

Staff continues to work with representatives from the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to finalize the process for receiving a limited data set from the Maryland Trauma Registry. MIEMSS anticipates providing data on a quarterly basis beginning around the first of July.

Data Base and Application Development

Release of the 2003 Long-term Care Survey

MHCC will release the 2003 Long-Term Care Survey in August 2004. Listed below is the release schedule.

Table 1 Major Milestones for 2003 LTC Survey

Notify Facilities of Survey	June 21, 2004
Mail Survey Instructions	June 28, 2004
Start of Survey	July 21, 2004
Last Day to Submit without Penalty	September 21, 2004

We have advanced the release schedule thirty days from last year because facilities requested that the survey be released closer to the end of the calendar year. To meet the earlier deadline, MHCC staff has accelerated the revision and update activities. Despite a heavy workload and the state hiring freeze, the survey team has worked effectively to make the needed revisions and meet the August deadline.

Medical Care Data Base

During the month, staff continued to provide technical support with nearly all thirty payers required to submit claims data in compliance with COMAR 10.25.06 by June 30, 2004. Only a limited number of format exceptions were granted this year, which is a reflection of staff's ongoing efforts to support payers as they prepare their data submission. Each year, changes in IT staff, along with company mergers among submitting payers, requires a significant amount of consultative support by staff to clarify expectations for submitting encounter, provider, and pharmacy data. Throughout the month of June, staff plans to contact three large pharmacy benefit managers providing coverage to Maryland residents to establish a relationship for direct submission to the MCDB.

2004 MCDB Payers Submitting Information on Services & Prescription Drugs	
Aetna Life Insurance Company	Group Hospitalization & Medical Services Inc.
Aetna U.S. Healthcare, Inc.	Guardian Life Insurance Company of America
Allianz Life Insurance Company of North America	Kaiser Permanente Insurance Company
American Republic Insurance Company	MAMSI Life And Health Insurance Company
CareFirst BlueChoice, Inc.	Maryland Fidelity Insurance Company
CareFirst of Maryland, Inc.	MD-Individual Practice Association, Inc.
Cigna Healthcare Mid-Atlantic, Inc.	Mega Life & Health Insurance Company
Connecticut General Life Insurance Company	Optimum Choice, Inc.
Corporate Health Insurance Company	PHN-HMO, Inc.
Coventry Health Care of Delaware Inc.	State Farm Mutual Automobile Insurance Co
Delmarva Health Plan, Inc.	Trustmark Insurance Company
Fortis Insurance Company	Unicare Life & Health Insurance Company
Golden Rule Insurance Company	Union Labor Life Insurance Company
Graphic Arts Benefit Corporation	United Healthcare Insurance Company
Great-West Life & Annuity Insurance Company	United Healthcare of The Mid-Atlantic, Inc.

Internet-Based Re-Licensure Applications

MHCC staff has completed development on the Maryland Board of Physicians (formerly BPQA) physician renewal application to reflect the changes requested by MBP mandated by SB 500. The Board plans to launch the new renewal application on July 1, 2004.

Cost and Quality Analysis

The Commission and the Department of Health and Mental Hygiene's Diabetes Prevention and Control Program (DPCP) have recommended the award of a jointly funded contract in the value of $93,178 to Mathematica Policy Research to assess the quality of health care received by elderly and disabled diabetic Maryland residents during 2002. The metrics that will be developed to assess quality of diabetic care will form the baseline DPCP will use to assess the success of its new five-year (2003-2008) work plan. Mathematica currently conducts similar work for the federal Centers for Medicare and Medicaid. The Centers for Disease Control and Prevention (CDC) id providing $45,000 for the research.

EDI and Payer Programs

HIPAA Awareness
MHCC's HIPAA education and awareness initiatives continued throughout May. Over the last month, staff received approximately twenty telephone inquiries from payers and providers requesting consultative support on the regulations. MHCC is viewed by practitioners and health care facilities as a reliable source for obtaining HIPAA information. Last month staff provided support to the following groups:

- Franklin Square Hospital – Provided support on privacy to the Compliance Officer.
- EPIC Pharmacies – Worked with the executive director to develop a security presentation for their summer conference.
- Maryland Ambulatory Association – Provided support on the transaction standards to approximately seven ambulatory surgical centers.
- Maryland Medical Group Managers Association – Presented on the security rule and the national provider identifier at a third party payer relations meeting to approximately 75 members.
- Montgomery County General Hospital – Presented on privacy and security to approximately 45 practice administrators.
- Maryland Chiropractic Association – Worked with the Eastern Shore division to develop a HIPAA education program for late summer.
- Upper Chesapeake Hospital & Fallston Memorial – Worked with their physician liaison to develop a security awareness program for practice administrators.
- Mid Shore Health Systems – Presented on privacy and security to their medical staff of about 35 providers.
- Frederick Memorial Hospital – Presented on the national provider identifier to approximately 40 physician practices associated with the hospital.

EDI Promotions
Staff completed updating the *Practice Management System Report Card* to include the HIPAA security requirements. The EDI/HIPAA Workgroup concluded at the April meeting that adding the security requirements to the tool would enhance its overall usefulness. A Web version prototype is in the final stages of development and is scheduled to be reviewed by the EDI/HIPAA Workgroup at the June meeting. The *Practice Management System Report Card* will be available to providers in hard copy form and on the Web around the end of June.

The *Payer Internet Resource Guide for Practitioners* lists for providers' summary and detail information about payers' internet capabilities. Leading payers represented in the tool include CareFirst of Maryland, MAMSI Health Plans, Aetna Healthcare, CIGNA, and United Health

Care. Staff requested payers complete a final information content review before making it available to practitioners in June. Staff initiated efforts to broaden payer participation in the tool and plans to release a second version around the end of summer.

Last month, staff worked with representatives from Protologics to finalize their MHCC-certification and EHNAC accreditation self-assessment documentation. Protologics is seeking certification under the Commission's small network certification program. Protologics is scheduled for review by EHNAC at the June Commission meeting. Staff completed the recertification review of ProxyMed and PayerPath. Consultative support was provided to Eyefinity, currently in candidacy status, and GHN-Online and Trojan Medical Services as they prepare to enter into candidacy status. Staff initiated discussions with Surescripts and DoctorsFirst, e-script electronic health networks, regarding assembling an industry workgroup to develop performance standards for pharmacy networks operating in Maryland.

Staff continued to work with payers and providers to identify EDI adoption barriers among hospitals and physicians. Most leading payers agreed to provide MHCC with a current report of large volume paper claim billers. Approximately 200 members of the Maryland Medical Group Management Association were asked to provide feedback on leading issues that impact their ability to submit claims electronically. Staff will use information gathered from payers and providers to finalize its EDI adoption initiative it intends to launch around mid-July.

At the request of several larger hospitals, staff facilitated an ad hoc provider panel to identify electronic transaction barriers relating to WebMD, an MHCC-certified network with the greatest share of electronic claims in Maryland. The provider panel intends to send an issues list to senior management at WebMD. Senior management from WebMD have committed to investigating and responding to the issues identified from the provider panel.

Approximately thirty payers were sent a reminder concerning the completion of the annual EDI Progress Report in compliance with COMAR 10.25.09 due by July 1, 2004. Each year, staff issues payers contributing to the *2004 EDI/HIPAA Progress Report* a reminder notice regarding timely filing and offers consultative support to payers in completing the report. Payer support has been minimal as roughly ten payers have asked staff for assistance in completing their report.

PERFORMANCE & BENEFITS

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)
At the October 2003 meeting of the Commission, staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations, along with the proposed draft regulations which were published in the *Maryland Register* on December 26, 2003, subject to a comment period which ended on January 27, 2004. No public comments were received. The Commission approved the adoption of the regulations as proposed at the February meeting. All adopted changes to the CSHBP are put into regulations and implemented, effective July 1, 2004.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Congress passed the Medicare Prescription Drug, Improvement and Modernization Act of 2003, authorizing the offering of health savings accounts (HSAs) in conjunction with high deductible health plans. This product will be available to small employers in Maryland effective July 1, 2004 if carriers elect to develop and market it. The CSHBP regulations have been modified to accommodate this offering during the transition period (through 12/31/04) and may have to be further modified to accommodate additional federal guidelines in the future.

The National Association of Health Underwriters (NAHU) has added a new section to its website entitled, "Understanding Health Savings Accounts." This link (http://www.nahu.org/consumer/HSAGuide.htm) also has been linked to the above-mentioned Commission website for small businesses.

In 2004, the Maryland General Assembly enacted SB 570, requiring the Commission to develop a Limited Health Benefit Plan that will be available to certain small employers beginning July 1, 2005. Commission staff has organized a work plan for this project which will be presented at this month's meeting.

The 2004 General Assembly also enacted SB 131, requiring the Commission and the Maryland Insurance Administration (MIA) to conduct a study of the affordability of private health insurance in Maryland. An interim report, including findings and recommendations from the study, is due by January 1, 2005. The final report is due by January 1, 2006.

Evaluation of Mandated Health Insurance Services (2003)
In November 2003, the *Annual Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501, *Annotated Code of Maryland*) was released for public comment. The Commission's consulting actuary, Mercer Human Resource Consulting (Mercer), evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis was produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the legislature. A presentation was made to the Senate Finance Committee on February 4th. The final report also can be found on the Commission's website.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the *Study of Mandated Health Insurance Services: A Comparative Evaluation* (as required under Insurance Article § 15-1502) was released for public comment on November 25, 2003. The Commission received public comments that opposed the elimination of the IVF mandate, which has been noted in the report. At the December 2003 meeting, the Commission requested that Mercer provide further analysis on the comparison of Maryland's mandates to those in other states before the report is approved for release to the legislature. At the January 2004 meeting, the final report was approved by the Commission. Commission staff presented the two Mandated Services reports to the Senate Finance Committee on February 4th. The report also is available on the Commission's website.

Evaluation of Mandated Health Insurance Services (2004)
Pursuant to the provisions of §15-1501(f)(2) of the Insurance Article, Commission staff has requested that members of the House Health and Government Operations and Senate Finance Committees submit any proposals for mandated health insurance services that they would like included in the annual evaluation. As required under current law, the Commission must evaluate all mandates enacted or proposed by the General Assembly and new suggestions submitted by a member of the General Assembly by July 1 of each year.

Actuarial Services Request for Proposal (RFP)
Commission staff is in the process of preparing a Request for Proposal (RFP) for actuarial consulting services. The RFP will be seeking actuarial services for two years, plus one option year.

Legislative and Special Projects

Uninsured Project

DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the State's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A sixth meeting with the Health Care Coverage Workgroup was held on March 1, 2004. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the State. During the March meeting, staff from the MHCC updated the Workgroup on current legislation in the Maryland General Assembly that attempts to improve access to health care coverage. In addition, staff from the Johns Hopkins University presented results on modeling the cost and impact of expanding Maryland's medical assistance program. Johns Hopkins staff also presented results from their analysis on options to expand coverage to young adults. The next meeting with the Workgroup has not been scheduled.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in November. DHMH is in the process of applying for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. A final report is due to Department of Health and Human Services at the end of the contract period. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety
Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees - the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee – on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs, and the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff released a request for proposal (RFP) to designate the Maryland Patient Safety Center (MPSC). The Maryland Hospital Association and the Delmarva Foundation have been selected to jointly develop and operate the MPSC. Both organizations have agreed to fund the Center for the first three years. A press conference announcing the designation is scheduled for Friday, June 18, 2004, at 11:30 a.m., in the Joint Hearing Room of the Department of Legislative Services Building in Annapolis, Maryland.

2004 Legislative Session
Two bills that directly affect the Commission's activities passed this session. One bill is SB 570, "Health Insurance – Small Group Market – Limited Health Benefit Plan." This bill requires the MHCC to develop a uniform set of effective benefits to be included in a limited health benefit plan. The Limited Health Benefit Plan will be offered in the small group market. The actuarial value of the limited plan cannot exceed 70% of the actuarial value of the CSHBP as of January 1, 2004. Small employers that have not offered the CSHBP within the past twelve months and for which the average annual wage of the small employer's employees does not exceed 75% of the average annual wage are eligible for the limited plan. Language in the bill requires that the

MHCC and the Maryland Insurance Administration (MIA) ensure that the limited plan is available in the small group market on July 1, 2005.

Another bill that passed requires the MHCC and the MIA to conduct a study of the affordability of private health insurance in Maryland. SB 131 and HB 845, "MHCC & MIA – Affordability of Health Insurance in Maryland – Study and Recommendations," requires the MHCC to study the factors that contribute to increases in health care costs, such as utilization and other cost drivers. An interim report is due on or before January 1, 2005 and a final report is due on or before January 1, 2006.

Facility Quality and Performance

Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. The Web site was updated with the new measures on March 15, 2004.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners during the April 15, 2004 meeting. The Nursing Home Report Card Steering Committee will prioritize the recommendations over the summer.

Nursing Home Patient Satisfaction Survey: The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state

agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various states was presented to the Nursing Home Report Card Steering Committee during its January 2004 meeting for review and comment. The report provided recommendations to guide the selection of a tool for the State. Given the length of the report and the importance of the recommendations, Steering Committee members were provided with additional time to review and comment on the document and they were encouraged to share the report with the members of their various organizations. Very few additional comments were received.

The Nursing Home Performance Evaluation Guide Steering Committee met on March 26, 2004 and recommended that we proceed with the self-administered family satisfaction survey as soon as possible. The Nursing Home Steering Committee met on June 1, 2004 to discuss the specifications for the RFP. Representatives from CMS and the Agency for Healthcare Research and Quality (AHRQ) also attending the June 1st meeting and presented an update on the Nursing Home Resident Satisfaction Survey (Nursing Home CAHPS). The Steering Committee agreed to pursue a pilot project in collaboration with AHRQ to pilot the Nursing CAHPS tool.

Nursing Home Patient Safety: The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities and other states as well as a list of ten common patient safety measures. The Steering Committee agreed that we should begin with reporting health care acquired infections and staffing as two indicators of safety.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in April to include information from the third and fourth quarters of 2003.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and was posted on the Website in November 2003.

New Core Measures: The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The Fourth Quarter 2003 AMI pilot data was provided to the hospitals for review on June 7, 2004. The Hospital Performance Evaluation Guide Steering committee will also analyze the data and make recommendations for public reporting in the fall of 2004.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup has met three times with the last meeting held on February 29, 2004. The initial set of 42 recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee and they were approved. The Commission's contractor, Delmarva Foundation, subsequently extracted the data for each of the elements using the HSCRC data base. The obstetrical data along with an obstetrical services survey was sent to each hospital for review. Several Web pages were then developed to display the data and the pages were presented to the Commissioners on March 19, 2004.

A press conference was held on May 13, 2004 to roll out the revised Guide. MHCC and HSCRC Commissioners, representatives from DHMH, legislators, providers, and consumers participated in the event.

Patient Safety Public Reporting Workgroup: The first meeting of the Patient Safety Public Reporting Workgroup was held on February 13, 2004. The purpose of this workgroup is to examine potential patient safety measures that are appropriate for public reporting via the Maryland Hospital Performance Evaluation Guide. During the first meeting, the workgroup was provided with a brief overview of the current Guide and a presentation on measures that are available or publicly reported by other states and organizations.

The workgroup met again on March 26, 2004 to consider specific patient safety measures. They agreed to report the LeapFrog measures that are related to the availability of intensivists in the ICU and computerized physician order entry systems. They also agreed to report as many of the AHRQ patient safety indicators as possible that can be supported by valid Maryland data. Staff will work with the HSCRC, AHRQ, and others to produce data reports for committee review. Lastly, the workgroup recommended that the JCAHO patient safety measures be reported when they become available by either linking to the JCAHO report or adding the data to the Maryland Guide directly.

Evaluation of the Hospital Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group

presented the final report to the Commissioners during the April 15, 2004 meeting. The Hospital Report Card Steering Committee will prioritize the recommendations over the summer.

CMS Pilot Project: The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states participated in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by AHRQ and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS for review and public comment through February 2004.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during the January 27, 2004 meeting and agreed that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot of the tool that will take place this summer. A proposal with a complete study design was submitted to AHRQ on April 6, 2004 to request permission to use the HCAHPS tool.

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation Guide Steering Committee on January 27, 2004 for review and comment. HSCRC is in the process of selecting members to serve on various workgroups. MHCC staff has been involved with the selection process.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and were added to the site in January 2004.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of Publications

Distribution of 2003 HMO Publications

Cumulative distribution: Publications released 9/29/03	9/29/03- 5/31/04	
	Paper	Electronic Web
Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide (25,000 printed)	18,537	Interactive version Visitor sessions = 1,990
		PDF version Visitor sessions = 2,357
2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (700 printed)	448	Visitor sessions = 1,201
Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide— 60,000 printed and distributed during open enrollment		

7th Annual Policy Report (2003 Report Series) –
Released January 2004; distribution continues until January 2005

Maryland Commercial HMOs & POS Plans: Policy Issues (1,000 printed)	713	Visitor Sessions = 387

Distribution of Publications
Outreach to inform businesses and organizations about the availability of HMO publications continued during May via phone, mail, and email contact. Staff targeted private academic institutions and large employers, generating more than six hundred communications that resulted in distribution of over fourteen hundred copies of the *Consumer Guide*. McCormick & Co. requested quantities differently than in prior years for its spring open enrollment. The company has decentralized the provision of externally produced enrollment materials, which enabled division staff to coordinate shipments to the individual plants through personnel representatives located at individual sites. The final distribution to this employer reflects a smaller outflow than in previous years but eliminates the overage experienced with the other system.

Aspen Systems, headquartered in Rockville, Maryland, contacted the HMO Quality & Performance Division seeking information about the performance evaluation system used by the state to assess commercial HMOs. The fact finding activity was an effort by the company's Division of Health to gain a better understanding of current trends within health care to improve quality. That Division intends to use the copies it requested for training exercises designed to teach team members about quality improvement initiatives.

Staff has simultaneously sought to inform employers about the availability of the various performance reports produced by the Commission through promotion of the *Performance Evaluation Bookmarks.* Last month employers requested several thousand copies for employee

use. Because of the strong interest in this advisory tool, staff revised the distribution tracking system last month to monitor distribution activity for this particular material.

2004 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities: The HEDIS audit is nearing completion with most measure validation processes finalized. HealthcareData.com (HDC), the HEDIS audit contractor for MHCC, completed the remaining tasks of the evaluation process prescribed in the HEDIS protocol. Major tasks finalized in May include: review of coding schemes used to identify positive occurrences of members receiving targeted clinical services, obtaining outstanding documentation, and medical record validation. Medical record review validation is sequenced last to allow plans sufficient time to collect and calculate hybrid results.

Plans are on track for final submission of their HEDIS data to NCQA. As of the beginning of June, the collection process is complete for four plans whose data have received final validation checks and approval for submission from HDC. Additionally, MHCC-specific measure results have been submitted, validated, and approved for all plans. No measures have been designated as "not reportable", and per discussion with the auditors, the plans awaiting final approval of their data are expected to receive "reportable" designations for all measures. MHCC expanded the HEDIS Comprehensive Diabetes Care measure this year with the addition of a more inclusive measure to calculate the number of diabetic members who received all of the recommended tests and had cholesterol and blood glucose levels within acceptable limits. Division staff reviewed plans' interim rates and pursued the availability of benchmarks in this area through NCQA and other audit firms. No benchmarking data were available; however, a comparison across plans shows similarity in the preliminary rates.

Consumer Assessment of Health Plan Study (CAHPS Survey)

Synovate concluded survey data preparation in time to meet the May 28th deadline. Due to system maintenance functions performed by NCQA at the time of submission, these data could not be uploaded. The resulting one week delay postponed the start of data analysis for report development. By June 7, each plan was sent its member-level files (without any identifiers), summary level files, and file layout.

Looking at this year's sample of 8,195 members statewide, the average rate of response for Maryland HMOs was 38.6 percent. The range of response among plans varied from 32.6 percent to a high of 45.6 percent of members sampled. The most recent results show no change in the trend of declining rates. Maryland plans averaged a higher response rate in 2003 and somewhat higher 2002 with rates of 42.9 percent and 45.6 percent, respectively. Plans received a final disposition report showing their own sample's response rate, mail outcomes, and phone outcomes.

Final CAHPS results will be presented, along with clinical data, in the 2004 HMO publications. MHCC again has asked Synovate to provide plan-specific feedback on the condition of member files that could have negatively affected rates of response, such as inclusion of persons who are no longer members, bad addresses, and incorrect phone numbers.

Report Development—2004 Report Series

The Department of Budget and Management has approved the final option renewal for the continuance of services for report development with NCQA. The one-year option is the third and final year of the contract.

HMO Quality and Performance Division staff has resumed weekly meetings with this contractor.

The foundational elements of design, theme, and content have been sketched out by the team. As already indicated, data analysis is slow starting due to technical delays with NCQA's information system.

Other Activities

The Network to Improve Community Health, a managed care forum for various stakeholders, held a summit on May 4th at the College Park Sheraton. The meeting facilitated collaborative exploration among the participants on challenges and opportunities created through a regional Cardiovascular Disease initiative in the Baltimore/Washington region. MHCC staff presented on plan level results for cardiovascular measures and challenges plans face as one dimension of this discussion.

Additionally, staff attended a one-day course on effective ways to present data and information and the URAC Annual Legal and Regulatory Conference in Washington, D.C.

HEALTH RESOURCES

Certificate of Need

During May 2004, Staff issued determinations of non-coverage by Certificate of Need (CON) review to Kensington Nursing and Rehabilitation Center of Montgomery County for the relicensure of 10 of 47 temporarily delicensed beds, and to the Washington County Hospital Extended Care Unit for the temporary delicensure of all 34 extended care facility beds, pending an application for exemption from CON review to close the hospital's substance abuse unit and a CON application to relocate 33 of the beds to the Julia Manor nursing facility.

Determinations of non-coverage by CON review were also issued to the Eye Surgical Center Associates of Baltimore regarding a change in the ownership of the surgery center, and to HomeCall, Inc. regarding a change in the organizational structure of its corporate owner.

Staff also issued determinations of non-coverage by CON review to the Mechanicsville Ambulatory Surgery Center, LLC in St. Mary's County for the establishment of an ambulatory surgery center with one operating room and one non-sterile procedure room, and to the following Montgomery County centers: Massachusetts Avenue Surgery Center, LLC for an ambulatory surgery center with one operating room and two non-sterile procedure rooms; the Chevy Chase Endoscopy Center, LLC for an ambulatory surgery center with four non-sterile procedure rooms; Foot & Ankle Surgery Center of Silver Spring, Ltd. for an ambulatory surgery center with one operating room and one non-sterile procedure room; the Spinal Injection Institute for an ambulatory surgery center with one non-sterile procedure room; and Metropolitan Brachytherapy Associates, LLC of Prince George's County for an ambulatory surgery center with one operating room and one non-sterile procedure room. The Baltimore Women's Medical Services, Inc. of Baltimore City received a determination of non-coverage by CON to establish an ambulatory surgery center with two non-sterile procedure rooms.

Staff issued a determination of non-coverage by CON review to the Chestertown Nursing and Rehabilitation Center of Kent County for the increase in licensed comprehensive care beds at the facility by eight waiver beds.

Staff continues the process of reviewing and analyzing applications from Holy Cross Hospital, Southern Maryland Hospital Center, and Suburban Hospital for the establishment of a cardiac surgery and percutaneous coronary intervention service in the Metropolitan Washington area.

Acute and Ambulatory Care Services

The Commission will sponsor a workshop on the relationship between patient safety and hospital facility design. This one-day workshop, *Incorporating Patient Safety and Facility Design in the State Health Plan for Maryland Hospitals*, will be held on Monday, June 28, 2004 at the BWI Marriott Hotel. With growing interest in hospital renovations and expansion, this is a very important topic for hospitals as they plan for facilities that will be used for patient care for the next 20 years. This is also an important topic for the Commission, as we consider the development of a policy framework for the State Health Plan for Facilities and Services to promote explicit consideration of patient safety for hospital capital projects reviewed under the Certificate of Need program. The workshop agenda and registration information is posted on the Commission's website.

The primary presenters for this workshop will be John Reiling, MHA, MBA, President and Chief Executive Officer, St. Joseph's Community Hospital in West Bend, Wisconsin, and Tom Wallen, AIA, Principal, Gresham Smith and Partners, Nashville, Tennessee who, together with St. Joseph's Community Hospital and Gresham Smith, designed a replacement facility for St. Joseph's. Their approach to the design process, and the resulting design principles and design features, is an inspiring example of incorporating principles of quality that has been described in over twenty publications, including the *Joint Commission Journal on Quality and Safety*.

The Commission has recently begun the process of revising the State Health Plan for Facilities and Services (SHP) chapter for Acute Care Hospitals. Because the Commission anticipates a large number of major capital renovation and expansion projects from hospitals over the next few years, improving patient safety will be an important component of the revised SHP. The input from this workshop should provide a framework for the SHP's policy approach to incorporating the best patient safety and facility design principles through the CON process. In addition to a forum where best practices for planning renovation, new construction or facility replacement projects can be identified and explored, the Commission hopes to provide an opportunity to elicit input from Maryland providers and others in the development of a policy framework for the SHP to promote explicit consideration of patient safety for hospital capital projects reviewed under the CON program.

Maryland's acute general hospitals will again change their licensed acute care bed capacity as of July 1, 2004. Since 2000, Maryland law has required annual recalculation of all acute care hospitals' licensed capacity, based on their previous year's average daily census. Every hospital's licensed acute care capacity is equal to 140 percent of its average daily census for the most recent 12 month period available. Within that number, hospitals are required to notify the Commission and the Office of Health Care Quality how those beds will be designated among the individual acute care services. The resulting licensed bed capacity serves as the single, official source of acute care hospital bed inventory for the state.

On May 20, 2004, the application forms with the new bed licensure numbers for FY 2005 were sent to all hospitals. Along with the allocation of their licensed capacity, hospitals are asked to provide information to the Commission on changes in the capacity of other hospital inpatient services. The application also asks for the total physical acute care capacity, independent of current licensure, utilization, or staffing issues. This information could assist the state's understanding of actual current acute care capacity for emergency preparedness planning.

The hospitals are also asked to complete three supplemental surveys. One is the emergency department treatment capacity survey, which provides the number of monitored beds in the ED, and the number of treatment beds by type, such as triage space, trauma, psychiatric patients, pediatrics and fast track. Another survey asks for the components of obstetrics services capacity, such as the number of operating rooms dedicated for Cesarean section deliveries, the number of LDRs (labor-delivery-recovery rooms), or the number of LDRPs (labor-delivery-recovery-post-partum rooms). The third survey tracks all surgical capacity in the hospital. This survey, done by the Commission for many years, has previously been sent to hospitals separately, and is included in the licensure process for the first time.

Pursuant to the approval of the modification to Holy Cross Hospital's Certificate of Need at the Commission's March 19, 2004 meeting, Holy Cross Hospital agreed to submit monthly reports to the Commission on the status of its construction project. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including

changes in physical plant design, construction schedule, capital costs, and financing mechanisms. The hospital's June update report states that no changes are necessary to the project cost, the design, or the financing of this project. The report indicates that minor revisions will be needed to the overall construction schedule, and that extensions to the performance requirement for Phases I and II may be needed.

Staff continues to represent the Commission in planning efforts regarding 'surge capacity'. A meeting of a technical advisory group stemming from the Governor's Emergency Management Advisory Council was held on May 6, 2004 in Annapolis to discuss the coordination of efforts among the component groups in Maryland, Baltimore, and the National Capital Region. Input from this group will be reported to the Health and Medical Committee of the Governor's Council.

Long Term Care and Mental Health Services

Staff of the Long Term Care division are finishing production of the report entitled: *Nursing Home Occupancy Rates and Utilization by Payment Source: Maryland, Fiscal Year 2002.* This report provides valuable data on utilization of nursing homes in Maryland as well as how this care is paid for. After the Introduction, the second section provides data statewide and by region for FY 2002 on nursing home occupancy and utilization by payment source. The third section provides facility-specific data for all 248 licensed nursing homes in the state; these data are shown for both licensed beds (including temporarily delicensed and restricted beds) and operating beds (excluding temporarily delicensed and restricted beds.) The fourth section shows trends from 1996 through 2002 in both occupancy and utilization by payment source. This report will be presented to the Commission at its June 15th meeting.

An end of the fiscal year meeting was held on May 20 with our contractor Myers and Stauffer. Major progress has been made this year in the compilation and analysis of MDS data. The database now contains MDS data from 1999 through 2003. Areas of work during the past year include: creating levels of care; creating a "diversion" variable; following up on missing zip code data; and development of long-stay and short-stay residents for analysis. Myers and Stauffer have also produced data to be used in the updated Maryland Long Term Care Chartbook.

One of the areas of data from the MDS that was found to be missing from the face sheets at the facilities was zip code of prior residence. Since the Commission projects nursing home bed need on a jurisdictional basis, this is a key variable to collect. Staff assessed those facilities that were missing this variable in 20% or more cases. Staff then checked those jurisdictions that had few nursing homes so that missing data was more critical statistically. The result was nine facilities that had incomplete data. Myers and Stauffer, as our contractor, contacted all facilities and obtained full data. This resulted in 830 stays being added to the database. Letters were sent to all participating providers to thank them for their full cooperation.

Staff of the Long Term Care Division are working with Social and Scientific Systems and Mathematica Policy Research in revising the nursing home bed need methodology.

Specialized Health Care Services

On May 25, 2004, Commission staff held its annual meeting with representatives of stem cell transplant programs in the Maryland and Washington regions to discuss major issues related to utilization of the programs. At the public meeting of the Commission on June 15th, Commission staff will present a Statistical Brief on Organ Transplant Services. This brief is one of a series

designed to provide data annually for monitoring the availability and utilization of certain health care resources in compliance with the Commission's State Health Plan for Facilities and Services.

On June 3rd, Commission staff began collecting data on the utilization of bone marrow and stem cell transplant programs in Maryland, the District of Columbia, and Northern Virginia for the first quarter of calendar year 2004. The survey data are used to examine policy options for the State Health Plan for Facilities and Services chapter on Organ Transplant Services, and to monitor the utilization of these services. The submission of calendar year 2003 data by the bone marrow transplant program at George Washington University Hospital is still pending.

The Work Group on Rehabilitation Data rescheduled its June 24th meeting to allow additional time for the final production of calendar year 2003 discharge abstract data. On June 3rd, Commission staff began collecting first-quarter survey data for 2004 from facilities licensed as special rehabilitation hospitals in Maryland. The Work Group will meet to discuss both sets of data at 1:00 p.m. on July 22nd in Room 100 at 4160 Patterson Avenue, Baltimore, Maryland 21215.

The management of data collection and reporting is essential to the implementation of the waiver procedure for primary percutaneous coronary intervention (PCI) services at hospitals without on-site cardiac surgery. On June 2nd, Commission staff met with Thomas Aversano, M.D., other staff at Johns Hopkins Medical Institutions, and the developer of the database application for the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) primary PCI registry to discuss the new version of the C-PORT software.